

**Minutes of the Roanoke City School Board Audit Committee
March 15, 2018**

Audit Committee Members:

Bill Hopkins, Committee Chair - Present
Laura Rottenborn - Absent

A quorum was not in attendance, however; the presentations were made as set out on the agenda and the meeting remained open to the public.

Others Present:

Steve Barnett, Deputy Superintendent
Donna Caldwell, Director of Accounting
Eric Thornton, Director of Purchasing
Drew Harmon, Municipal Auditor
Wayne Parker, Senior Auditor

1. Call to Order

Mr. Hopkins called the meeting to order at approximately 11:02 AM.

2. Audit Report – Fixed Assets

Mr. Hopkins asked Mr. Harmon to comment on the reasonableness of management's timeline for completing its action plans. Mr. Harmon stated that the fixed asset inventory process has been problematic for many years, even prior to the Destiny system being installed. If management uses the time to establish a truly effective process that works going forward, the wait will be worth it. Mr. Harmon noted that Auditing had provided management with good example of an effective inventory process from another public school system that should serve as a good foundation on which to build.

Mr. Hopkins commented that he had shared his concerns about the fixed asset inventory report at the monthly principals meeting. Principals should be accountable for assets assigned to their buildings.

Mr. Harmon noted that the bulk of the assets that were unaccounted for and assumed to have been retired were technology assets. He suggested that better coordination between the IT department and Warehouse is needed to ensure technology assets are properly accounted for.

Mr. Hopkins asked if there were any further questions. Hearing none, the report was received and filed.

3. Audit Plan Development for FY19

Mr. Harmon referred the committee to the recently prepared risk ranking. Mr. Hopkins asked if IT Security's number 1 ranking was based on the breach experienced earlier in the school year. Mr. Harmon confirmed that the breach and the departure of the Director of Technology both factored into increasing the score and moving IT security from 3rd to 1st place.

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The discussion covered the following points:

- Municipal Auditing is unable to audit the IT department for the next two to three years due to its IT Auditor's work on the City's revenue system implementation.
- Transportation will be audited as a follow up to the cost analysis performed in 2017. The cost information from the Virginia Department of Education has already been obtained for the follow up work. The current contract ends June 30, 2019, and must be rebid.
- Food Services is approaching two years with the new vendor. The Committee had expected to perform an audit of vendor performance in FY19.
- Security moved up nine slots to number 10 in the risk ranking. This area has not been previously been audited. Mr. Hopkins noted that this has always been an area of focus for the Superintendent. The Board is currently considering organizational changes that may further strengthen security. An audit would not be scheduled until after changes have had time take root.

Mr. Hopkins asked if there were historically unaudited areas that Mr. Barnett felt might benefit from an audit. Based on a quick review of audit history, Mr. Barnett thought that career and technical education would be an area to consider. All RCPS graduates are now required to have at least one CTE course and it is an area of growing emphasis. Mr. Barnett will ask the Superintendent for any thoughts she may have in advance of the Committee's next meeting.

The next meeting will be tentatively set for May 15 at 11:00 AM. This meeting will be used to discuss any final considerations and to adopt a recommended plan for the Board to vote on.

4. Other Business

None noted.

5. Adjournment

Mr. Hopkins adjourned the meeting at 11:30 AM.